

Message Text

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ACTION XMB-04

INFO OCT-01 AF-10 ISO-00 EB-07 AID-05 CIAE-00 COME-00

FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 OPIC-03

SP-02 LAB-04 EPG-02 SIL-01 OMB-01 /056 W

-----141326Z 062482 /40

R 141215Z JUN 77

FM AMEMBASSY NAIROBI

TO SECSTATE WASHDC 8957

INFO AMEMBASSY DAR ES SALAAM

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PASS ALSO EXIMBANK

E.O. 11652: N/A

TAGS: EFIN, KE, TZ

SUBJECT: GOK DELEGATION VISIT TO EXIMBANK

REF: STATE 132131

1. EMB APPRECIATES REPORT ON MEETING HELD BY EXIMBANK WITH VISITING KENYAN DELEGATION TO DISCUSS CURRENT PROJECTS. ECONOFF MET WITH FINANCE MINISTRY UNDER SECRETARY J. GACHUI JUNE 13 TO DISCUSS KENYA AIRWAYS FLEET PLANS, STATUS OF EAA LIQUIDATION, AND KENYA FIBERS CORPS. FINANCING. GACHUI EXPRESSED HIS SATISFACTION WITH OUTCOME OF EXIMBANK DISCUSSIONS AND UNDERSTOOD BANK WOULD CONSIDER PROVIDING CREDIT TO KENYA AIRWAYS THROUGH GOK AS OFFICIAL BORROWER. DELEGATION WAS DISAPPOINTED THAT EXIMBANK CONTINUED TO SUGGEST KENYA GOVERNMENT ASSUME GREATER SHARE OF EAA INDEBTEDNESS ON BASIC KENYA AIRWAYS USE OF TWO DC-9'S. GOK HOPES EXIMBANK WILL INSTEAD PERSUADE UGANDAN GOVERNMENT TO RECOGNIZE ITS ONE-THIRD GUARANTEE. GACHUI STATED THAT, IN ANY CASE, HE WOULD BE INFORMING EXIMBANK OF STATUS KENYA AIRWAYS' LEASING ARRANGEMENT

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WITH LIQUIDATOR. (ACCORDING GACHUI, FORMAL LEASE HAS NOT YET BEEN SIGNED BUT AIRWAYS MANAGEMENT MADE INITIAL DEPOSIT OF 1.5 MILLION SHILLING.)

2. DISCUSSING APPOINTMENT OF KENNETH GILL TO FACILITATE RE-REGISTRATION OF DC-9 AIRCRAFT, GACHUI SAID DELEGATION WAS SURPRISED AT CHOICE OF AIRCRAFT SALEMAN FOR SUCH A

ROLE BUT HE, AT LEAST, WAS WILLING TO GIVE APPROPRIATE ASSISTANCE. GACHUI PRIVATELY FELT THAT GILL HAD ACCEPTED HOPELESS TASK, AND RESOLUTION OF AIRCRAFT TITLE PROBLEMS HINGED ON BROADER SUCCESS IN GETTING TWO GOVERNMENTS TO REACH AGREEMENT ON CORPORATION ASSESTS. GACHUI INDICATED KENYA AIRWAYS ALSO A POTENTIAL BUYER OF DC-9 EQUIPMENT AND WORRIED ABOUT OBTAINING UNENCUMBERED TITLE. ECONOFF BELIEVES THAT, IF APPROACHED BY GILL, GACHUI WILL PROBABLY SHUNT HIM OFF TO KENYA LIQUIADATOR.

3. ECONOFF FOLLOWED UP ON EXIMBANK SUGGESTION TO DELEGATION THAT FOREIGN EXCHANGE RESERVED FOR LOCOMOTIVE PURCHASES BE TRANSFERRED TO KENYA FIBERS PROJECT. GACHUI SAID HE DISCUSSED MATTER WITH MINISTRY COLLEAGUES MORE FAMILIAR WITH KFC AND DOUBTED WHETHER THIS SWITCH WOULD BE POSSIBLE. IN DECIDING TO ALLOCATE FOREIGN EXCHANGE TO PARTICULARLY LARGE IMPORT REQUIREMENTS, GOK ASSIGNED HIGHER PRIORITY TO LOCOMOTIVE PURCHASE SINCE THIS INVOLVES KEY STATE ENTERPRISE. TO RE-ROUTE FUNDS AT THIS TIME MAY BE MATHEMATICALLY CONVENIENT BUT INVOLVES NEW INTRAGOVERNMENTAL CONSULTATIONS.

DECON 6/14/78.
LINDSTROM

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01-Jan-1994 12:00:00 am
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Current Classification: UNCLASSIFIED
Concepts: NEGOTIATIONS, REGIONAL ORGANIZATIONS, CREDIT AGREEMENTS
Control Number: n/a
Copy: SINGLE
Sent Date: 14-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: N/A
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Handling Restrictions: n/a
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Legacy Key: link1977/newtext/t19770659/aaaabzuk.tel
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Litigation History:
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TAGS: EFIN, EAIR, KE, TZ, UG, EAA, XMB
To: STATE
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